

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1134 - SB 1482**

February 24, 2019

**SUMMARY OF BILL:** Authorizes park rangers within the Division of Parks and Recreation of the Department of Environment and Conservation (TDEC) to receive longevity pay in the same manner as wildlife officers of the Tennessee Wildlife Resources Agency (TWRA). Expands Tennessee Consolidated Retirement System (TCRS) benefits to park rangers. Subjects park rangers to mandatory retirement provisions. Authorizes surviving beneficiaries of park rangers killed in the line of duty to receive health insurance and death benefits. The effective date of this proposed legislation is January 1, 2020.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Net Impact - \$176,300/FY19-20**

**Decrease State Expenditures – Net Impact –  
\$107,700/FY20-21 and Subsequent Years**

**Increase Federal Expenditures – \$120,900/FY19-20 and Subsequent Years**

**Other Fiscal Impact – The total additional lump sum pension liability to the Tennessee Consolidated Retirement System is estimated to be \$5,200,000.**

Assumptions:

*Relative to TDEC Personnel Expenditures:*

- Based on information received from TDEC and TCRS, some park managers will be incentivized to retire early as a result of previous service as a commissioned park ranger and becoming eligible for the supplemental bridge benefit and longevity pay.
- TDEC replaces retiring park rangers with new entry-level positions, and replaces park managers with non-entry level park rangers.
- Under the proposed legislation, there would be a higher than average amount of retirements in the first year due to the number of current persons who will be considered for mandatory retirement and those who would be incentivized to retire through the passage of this legislation.
- The number of employees that will be required to retire or that will elect to retire in any given fiscal year pursuant to the legislation will fluctuate. However, the recurring

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decrease in state expenditures from persons retiring, including longevity pay, is estimated to be \$2,778,216.

- The recurring increase in state expenditures for the hiring of entry-level park rangers and for moving current non-entry level park rangers to park manager positions in the first year is estimated to be \$2,405,616.
- The net recurring decrease in state expenditures associated with such employees is estimated to be \$372,600 (\$2,778,216 - \$2,405,616). Due to the effective date of this legislation, which is January 1, 2020, the first first-year (FY19-20) decrease is estimated to be \$186,300 (\$372,600 x 50%).
- After the above-average first year of implementation, the recurring decrease in state expenditures from persons retiring in FY20-21 is estimated to be \$686,496.
- The recurring increase in state expenditures for the hiring of entry-level park rangers and for moving current non-entry level park rangers to park manager positions in FY20-21 is estimated to be \$588,732.
- The net recurring decrease in state expenditures associated with such employees is estimated to be \$97,764 (\$686,496 - \$588,732).
- Additional decreases in state expenditures may occur as additional employees retire and qualify for longevity benefits. However, any such net impact is estimated to be not significant.
- The total decrease in state expenditures is estimated to be \$186,300 in FY19-20, and \$470,364 in FY20-21 and subsequent years (\$372,600 + \$97,764).

#### *Relative to Death Benefits*

- The proposed legislation authorizes a surviving spouse and child of a park ranger killed in the line of duty to receive health insurance benefits for a period not to exceed two years after the death of the first responder.
- Further, the legislation authorizes the estate of any such park ranger to receive death benefits in the amount of \$250,000, comprised of 5 annual installments of \$50,000.
- Based on information provided by TDEC, it is assumed that these authorizations will not result in a significant increase in state expenditures as there have been no park rangers killed in the line of duty in recent years.

#### *Relative to TCRS and Total Net Impact:*

- TCRS provides retirement benefits for retired state employees, retired teachers, and retired local government employees.
- Based upon information provided by TCRS, and relative to the TDEC employees covered by these provisions which includes 200 park rangers, this legislation is estimated to increase the lump sum pension liability of TCRS by approximately \$5,200,000.
- Based on a time-value-of-money calculation, the annual amount required to fund the total lump sum pension liability is estimated to be \$483,510.
- Retirement benefits for state employees are funded 75 percent with state funds and 25 percent with federal funds.

- The recurring increase in state expenditures is estimated to be \$362,633 (\$483,510 x 75%).
- The recurring increase in federal expenditures is estimated to be \$120,877 (\$483,510 x 25%).
- The total impact of this legislation on the state is estimated to be a net increase in state expenditures for the General Fund of \$176,333 (\$362,633 - \$186,300) in FY19-20; and a net recurring decrease in state expenditures for the General Fund of \$107,731 (\$362,633 - \$470,364) in FY20-21 and subsequent years.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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